

(2) The persons authorized to execute and file the Agreement or any subsequent modifications thereto with and submit associated supporting materials to the Federal Maritime Commission are Associated Conferences Secretariat or such other persons as the parties may hereafter designate in writing.

ARTICLE 7: MEMBERSHIP

(1) Any ocean common carrier which is regularly engaged in the Trade, directly or by transshipment, or which furnishes evidence of ability and an intention in good faith to institute and maintain a regular service in the Trade, or any conference of such carriers (as defined in the Shipping Act of 1984), may hereafter become a party to this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the Chairman and paying an admission fee of \$2000.00 (U.S.).

(2) No ocean common carrier which has complied with the conditions set forth in this Article shall be denied admission or readmission to membership. Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission by amendment to this Agreement and no admission shall be effective prior to the postmark date of such notice. Advice of any denial of admission to membership, together with a statement of the reasons therefore, shall be furnished promptly to the Federal Maritime Commission.

(3) Each applicant for admission shall sign a copy of this Agreement. Upon dissolution of the Agreement, all sums of money remaining in the Agreement treasury, after payment of all expenses, shall be divided among the parties at the time of dissolution pro rata.

(4) A party which is a joint venture or consortium of two or more ocean common carriers but operated as a single entity shall be treated as a single party for all purposes under this Agreement.

(5) Any Member may resign without penalty from the Agreement effective not less than thirty (30) days after filing a written notice with the Agreement office, which shall promptly serve the notice on the other Members. ~~Provided, however, that the retention of security for the payment of outstanding obligations hereunder shall not be considered as a penalty.~~ Notice of the resignation of any Member shall be furnished promptly to the Federal Maritime Commission by amendment to this Agreement.

(6) The filing of a notice of resignation shall not, until the resignation becomes effective, relieve a party of its obligations under this Agreement, but a party shall not, after filing of a notice of resignation, be entitled to vote on any matter which is to become effective after the date of its resignation, or on any amendment of this Agreement.

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(7) Computation of outstanding obligations of any resigning party, unless otherwise agreed to by the remaining parties, shall include all financial obligations entered into by the Agreement at the time the party became a party to the Agreement and subsequent thereto up to the effective date of the party's resignation. The resigning party shall also be responsible for its share of the current year's administration fee, plus the next three (3) months fee towards any financial obligations that the Agreement undertook while it was a party or to which the Agreement became a party to while it was a party.

(8) No party may be expelled against its will from the Agreement except for failure to maintain an ocean common carrier service within the scope of this Agreement (said failure to be determined according to the minimum sailing requirements set forth in paragraph (10) below) or for failure to abide by the terms and conditions of this Agreement ~~including the maintenance of the financial guarantees set forth in paragraph (11) below~~. Expulsion must be authorized by unanimous vote of all parties entitled to vote, excluding the party whose expulsion is at issue.

(9) No expulsion shall become effective until a detailed statement setting forth the reasons therefore has been furnished to the expelled party and a copy thereof has been submitted to the Federal Maritime Commission.

(10) In the event that a party shall fail to have a sailing within the scope of this Agreement during any period of ninety (90) consecutive days, strikes and force majeure excepted, such party shall not be entitled to vote on any and all Agreement matters, and the right to vote shall be restored only after such party has loaded cargo and sailed a vessel in the Trade. Failure to have a sailing within the scope of the Trade during any period of one hundred twenty (120) consecutive days, strikes a force majeure excepted, shall constitute cause for expulsion.

~~(11) Unless the parties otherwise agree by a vote of unanimous less one, simultaneous with admission to Agreement membership, a party shall furnish to the Chairman a financial guarantee of its compliance with all of the terms and provisions of this Agreement and rules and regulations thereunder. Unless waived as hereinabove provided, no party shall be entitled to membership privileges until it has furnished the financial guarantee. Said guarantee shall consist of either:~~

~~(a) A sum equal to one half of the total estimated operating expenses of the Agreement for the year immediately preceding the calendar year in which the party joins the Agreement or One Thousand (\$1,000.00) Dollars United States Currency, whichever is greater. Such sum shall be deposited by the Agreement in an account which may be drawn upon by the Chairman or in his absence any other officer duly authorized; or~~

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~~(b) A surety bond or confirmed irrevocable letter of credit, in such form as shall
be acceptable to the Chairman, in a sum equal to one half of the total~~

~~estimated operating expenses of the Agreement for the year immediately preceding the calendar year in which the party joins the Agreement or One Thousand (\$1,000.00) Dollars United States Currency, whichever is greater, established by a bank which is a Member of the New York Clearing House. Such surety bond or letter of credit shall provide that it may be drawn upon in full or in part by draft payable to the order of the Agreement, signed in the name of the Agreement by the Chairman, or in, his absence any other officer duly authorized to so act and countersigned by an officer of another party to this Agreement to which there shall be attached a certificate signed by the Chairman or in his absence any other officer duly authorized to so act, to the effect that (1) there has been assessed or adjudged against the party who shall have deposited said surety bond or letter of credit the amount of said draft or (2) that there are expenses or liabilities, actual or contingent, of the Agreement incurred or accrued during said party's membership in the Agreement the party's share of which is unpaid and equal to or exceeded by the amount of said draft.~~

~~(11-12)~~ In the event that a party has failed to pay an expense invoice issued by the Agreement within sixty (60) days from the date it is issued, it shall lose all voting privileges under this Agreement. If said invoice remains unpaid after ninety (90) days, then the Chairman shall immediately drawdown the party's security deposit. The party shall not have its voting privileges reinstated until it has paid all past due expense invoices its security deposit has been fully restored.

~~(13)~~ Such security deposit shall be retained by the Agreement until the party is released from all liabilities by the Agreement or ninety (90) days from the effective date of the party's withdrawal from the Agreement, whichever shall first occur. Provided however, that if on such date the Chairman certifies that there is any undischarged financial liability of the Agreement, contingent or payable, accruing during the period of the party's membership, such security deposit shall be retained during the pendency of any investigation, arbitration or litigation which might result in a liability to such party, or until the violations or claim has been settled in accordance with the provisions of this Agreement.

~~———(14)~~ All funds or securities so deposited shall be for the account of the depositing party and shall be remitted promptly to it.

~~(15)~~ In the event a party that was required to provide a security deposit has failed to maintain or replenish its security deposit as required by this Article, then upon the expiration of 30 calendar days after its security deposit has been drawn upon or after 90 calendar days from the date of admission, the Member shall automatically be expelled from Membership and the Chairman shall immediately notify in writing the Member and the Federal Maritime Commission accordingly.